

Message Text

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72

ACTION ARA-20

INFO OCT-01 ISO-00 CCO-00 CIAE-00 OTPE-00 EB-11 FCC-03

INR-10 NSAE-00 OC-06 RSC-01 COME-00 SPC-03 AID-20

NSC-10 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02

FRB-02 XMB-07 OPIC-12 LAB-06 SIL-01 L-03 H-03 SEC-03

DODE-00 PA-04 USIA-15 PRS-01 DRC-01 /176 W

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R 112146Z JAN 74

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 2376

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EO 11652: NA

TAGS: EFIN EIND ETEL VE

SUBJ: OWNERSHIP OF TELEVISION STATIONS RESTRICTED TO VENEZUELANS

REF: CARACAS 0028

1. MINISTER OF COMMUNICATIONS, ENRIQUE BUSTAMANTE ANNOUNCED JAN 10 THAT COUNCIL OF MINISTERS HAS AMENDED TELECOMMUNICATIONS LAW WHICH NOW STIPULATES ONLY VENEZUELAN CITIZENS MAY OWN RADIO AND TELEVISION STATIONS IN VENEZUELA.

2. MINISTER BUSTAMANTE STATED THIS REFORM ALSO ESTABLISHES THAT ALL DIRECTORS, ADMINISTRATORS, MANAGERS AND EXECUTIVES MUST BE VENEZUELAN. COMPANIES WERE GIVEN THIRTY DAYS TO COMPLY WITH THE NEW DECREE.

3. SUBJECT DECREE AFFECTS ABC AND NBC NETWORKS, WHICH HAVE 10 PERCENT INTEREST IN CHANNEL 4 AND CHANNEL 2, RESPECTIVELY.

4. DR. MARCEL GRANIER, A DIRECTOR FOR CHANNEL 2, INFORMED EMBASSY HIS STATION IS MOST UNHAPPY WITH GOV'S DECREE.

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GRANIER INDICATED CHANNEL 2 HAS HAD EXCELLENT RELATIONS

WITH NBC FOR OVER TEN YEARS, THAT NBC HAD ALWAYS PROVIDED USEFUL ASSISTANCE, THAT IT HAS NEVER INTERFERED IN OPERATIONS OF TV STATION, AND THAT CHANNEL 2 WILL BE LOSING A GOOD PARTNER. IT IS GRANIER'S OPINION THAT THIS ACTION ON PART OF GOV SETS A BAD PRECEDENT AND COULD PROVE HARMFUL TO NEW FOREIGN INVESTMENT. HE COMMENTED THAT EVEN ADEAN PACT BLOC LEGISLATION PERMITS UP TO 20 PERCENT OWNERSHIP BY FOREIGN FIRMS IN TELECOMMUNICATIONS INDUSTRY.

5. EMBASSY BELIEVES OUTGOING COPEI ADMINISTRATION WANTED ONCE MORE TO DEMONSTRATE ITS NATIONALISTIC MUSCLE BEFORE TURNING REINS OVER TO AD ADMINISTRATION AND, THEREFORE, TOOK ADVANTAGE OF TELECOMMUNICATIONS LAW TO ENFORCE CHANGE IN REGULATION OF TELECOMMUNICATIONS INDUSTRY. NEW DECREE MODIFIES EARLIER REGULATION THAT PERMITTED FOREIGN GROUPS TO OWN UP TO 20 PERCENT OF TELEVISION INDUSTRY.

MCCLINTOCK

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Message Attributes

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30 JUN 2005

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